1989 No. 1276

INSOLVENCY

COMPANIES

The Banks (Administration Proceedings) Order 1989

Made - - - -

24th July 1989

Laid before Parliament

28th July 1989

Coming into force

23rd August 1989

The Secretary of State, in exercise of the powers conferred on him by section 422 of the Insolvency Act 1986(a), with the concurrence of the Treasury and after consultation with the Bank of England, hereby makes the following Order:—

Citation and Commencement

1. This Order may be cited as the Banks (Administration Proceedings) Order 1989 and shall come into force on 23rd August 1989.

Application of provisions in the Insolvency Act 1986 with modifications in relation to companies which are authorised or former authorised institutions under the Banking Act 1987

2. The provisions in Part II of the Insolvency Act 1986 shall apply in relation to those authorised institutions and former authorised institutions within the meaning of the Banking Act 1987(b) which are companies within the meaning of section 735 of the Companies Act 1985(c) with the modifications specified in the Schedule to this Order (any reference to a numbered section in the Schedule being, unless otherwise provided, to a section of the Insolvency Act 1986) and accordingly the provisions of the first Group of Parts of the Insolvency Act 1986 apply in relation to such institutions with such modifications.

Application

3. This Order shall not apply in relation to petitions for administration orders presented before it comes into force or in relation to administration orders made upon such petitions.

Francis Maude
Parliamentary Under-Secretary of State,
Department of Trade and Industry

Dated 21st July 1989

We concur,

David Maclean
David Lightbown
Two of the Lords Commissioners
of Her Majesty's Treasury

Dated 24th July 1989

⁽a) 1986 c.45; section 422 was amended by the Banking Act 1987 (c.22), section 108(1) and Schedule 6, paragraph 25(2).

⁽b) 1987 c.22.

⁽c) 1985 c.6.

MODIFICATIONS OF PART II OF THE INSOLVENCY ACT 1986 IN RELATION TO COMPANIES WHICH ARE AUTHORISED OR FORMER AUTHORISED INSTITUTIONS UNDER THE BANKING ACT 1987

- 1. In section 8, after subsection (1) there shall be inserted the following subsection:-
 - "(1A) For the purposes of a petition presented by the Bank of England alone or together with any other party an authorised institution or former authorised institution within the meaning of the Banking Act 1987 which defaults in an obligation to pay any sum due and payable in respect of a deposit within the meaning of section 92 of that Act shall be deemed to be unable to pay its debts as mentioned in subsection (1) above.".
- 2. In section 8(4) paragraph (b) shall be omitted.
- 3. In section 9(1), after the words "the directors," there shall be inserted the words "or by the Bank of England,".
- 4. In section 9(2)(a), after the word "company," there shall be inserted the words "to the Bank of England (unless it is a petitioner),".
- 5. At the end of section 13(3)(c) there shall be added the words "or (d) by the Bank of England.".
- 6. In section 23(1)(a), after the words "registrar of companies" there shall be inserted the words ", the Bank of England".
- 7. In section 25(2)(a), after the words "their addresses)" there shall be inserted the words "and the Bank of England".
- 8. In section 27(1), after the words "in force," there shall be inserted the words "the Bank of England, the Deposit Protection Board, or".
- 9. In section 27(1)(a), for the words "(including at least himself)" there shall be substituted the words "(including, where the applicant is a creditor or member, at least himself)".

EXPLANATORY NOTE

(This note is not part of the Order)

This Order applies provisions in Part II of the Insolvency Act 1986 with modifications to companies which are authorised institutions or former authorised institutions under the Banking Act 1987. The Order enables administration orders to be made in relation to such bodies, and makes special provision to permit the Bank of England to petition for such orders and for the involvement of the Bank of England and the Deposit Protection Board in the conduct of administration proceedings.

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